



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-068]

#### Forged Steel Fittings from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) is conducting an administrative review of the countervailing duty (CVD) order on forged steel fittings from the People's Republic of China (China) for the period of review March 14, 2018 through December 31, 2018. Commerce preliminarily determines that countervailable subsidies are being provided to Both-Well (Taizhou) Steel Fittings, Co., Ltd. (Both-Well), the sole producer/exporter of forged steel fittings from China subject to this review.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Katherine Johnson or Janae Martin, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4929 or (202) 482-0238, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On January 17, 2020, Commerce published the notice of initiation of an administrative review of the CVD order on forged steel fittings from China.<sup>1</sup> On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days, thereby extending the deadline for the preliminary results of this review until July 21, 2020.<sup>2</sup> On July 21, 2020, Commerce again tolled

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 3014 (January 17, 2020).

<sup>2</sup> See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

all deadlines in administrative reviews by 60 days.<sup>3</sup> Accordingly, the deadline for the preliminary results in this administrative review was postponed to November 19, 2020.<sup>4</sup>

For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.<sup>5</sup> A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Scope of the Order

The merchandise covered by the order is forged steel fittings. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

#### Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>6</sup> For a full description of the methodology underlying our preliminary conclusions, *see* the accompanying Preliminary Decision Memorandum.

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<sup>3</sup> *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

<sup>4</sup> *Id.* at 2.

<sup>5</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results: Administrative Review of the Countervailing Duty Order on Forged Steel Fittings from the People's Republic of China; 2018," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>6</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

As explained in the Preliminary Decision Memorandum, Commerce relied on adverse facts available because the Government of China did not act to the best of its ability in responding to Commerce’s requests for information, and consequently, we have drawn an adverse inference, where appropriate, in selecting from among the facts otherwise available.<sup>7</sup> For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

#### Rate for Non-Selected Companies Under Review

There are 35 companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. For these companies, because the rate calculated for Both-Well was above *de minimis* and not based entirely on facts available, we applied Both-Well’s subsidy rate to the non-selected companies. This methodology to establish the subsidy rate for non-selected companies is consistent with our practice and with section 705(c)(5)(A) of the Act, which governs the determination of an “all-others” rate in an investigation and which we rely on for guidance here. For a list of the non-selected companies, *see* Appendix II to this notice.

#### Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated a countervailable subsidy rate for Both-Well, the sole mandatory respondent in this review. We preliminarily determine that the following subsidy rate exists for Both-Well and the non-selected companies under review:

<b>Company</b>	<b>Subsidy Rate (percent)</b>
Both-Well (Taizhou) Steel Fittings, Co., Ltd.	25.90
Non-Selected Companies Under Review <sup>8</sup>	25.90

#### Assessment Rate

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<sup>7</sup> See sections 776(a) and (b) of the Act.

<sup>8</sup> See Appendix III.

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions directly to CBP 15 days after publication of the final results of this review.

#### Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated for Both-Well with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

#### Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.<sup>9</sup> Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within seven days after the time limit for filing case briefs.<sup>10</sup> Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>11</sup>

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<sup>9</sup> See 19 CFR 224(b).

<sup>10</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

<sup>11</sup> See 19 CFR 351.309(c)(2) and 351.309(d)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.<sup>12</sup> Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce will inform parties of the scheduled date of the hearing which will be held at a time and date to be determined.<sup>13</sup> Issues addressed during the hearing will be limited to those raised in the briefs.<sup>14</sup> Parties should confirm the date and time of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5 p.m. Eastern Time on the due date. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>15</sup>

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: November 5, 2020.

Jeffrey I. Kessler  
Assistant Secretary  
for Enforcement and Compliance

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<sup>12</sup> See 19 CFR 351.310(c).

<sup>13</sup> See 19 CFR 351.310.

<sup>14</sup> See 19 CFR 351.310(c).

<sup>15</sup> See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements); *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).



## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Diversification of China's Economy
- V. Subsidies Valuation
- VI. Benchmarks and Discount Rates
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Analysis of Programs
- IX. Conclusion

## **Appendix II**

### **List of Non-Selected Companies**

1. Apco Pipe Fittings Co., Ltd.
2. Cixi Baicheng Hardware Tools, Ltd.
3. Dalian Guangming Pipe Fittings Co., Ltd.
4. Eaton Hydraulics (Luzhou) Co., Ltd.
5. Eaton Hydraulics (Ningbo) Co., Ltd.
6. Feiting Hi-Tech Piping Zhejiang Co., Ltd
7. Hebei Haiyuan Pipe Fittings Co., Ltd.
8. Hebei Xinyue High Pressure Flange And Pipe Fitting Co., Ltd.
9. Jiangsu Forged Pipe Fittings Co., Ltd.
10. Jiangsu Haida Pipe Fittings Group Co., Ltd.
11. Jiangyin Tianning Metal Pipe Fitting Co., Ltd.
12. Jiangyin Yangzi Fitting Co., Ltd.
13. Jinan Mech Piping Technology Co., Ltd.
14. Jining Dingguan Precision Parts Manufacturing Co., Ltd.
15. Lianfa Stainless Steel Pipes & Valves (Qingyun) Co., Ltd.
16. Luzhou City Chengrun Mechanics Co., Ltd.
17. Ningbo HongTe Industrial Co., Ltd.
18. Ningbo Long Teng Metal Manufacturing Co., Ltd.
19. Ningbo Save Technology Co., Ltd.
20. Ningbo Zhongan Forging Co., Ltd.
21. Q.C. Witness International Co., Ltd.
22. Qingdao Bestflow Industrial Co., Ltd.
23. Shanghai Lon Au Stainless Steel Materials Co., Ltd.
24. Shanghai Longnai High Pressure Pipe Fittings Co., Ltd.
25. Shanghai Tongyang Pipe Fittings Co., Ltd.
26. Shanghai Yochoic Pipefittings Co., Ltd.
27. Witness International Co., Ltd.
28. Xin Yi International Trade Co., Limited
29. Yancheng Boyue Tube Co., Ltd.
30. Yancheng Haohui Pipe Fittings Co., Ltd.
31. Yancheng Jiuwei Pipe Fittings Co., Ltd.
32. Yancheng Manda Pipe Industry Co., Ltd.
33. Yingkou Guangming Pipeline Industry Co., Ltd.
34. Yingkou Liaohe Machinery & Pipe Fittings Co., Ltd.
35. Yuyao Wanlei Pipe Fitting Manufacturing Co., Ltd.